

# A Case Study In Academic Crime



## The **Charles Koch Foundation** at Florida State University

A Joint Report by FSU Progress Coalition and UnKoch My Campus  
Spring 2017

Executive Summary

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Introduction

Based on the work of students, faculty, and alumni of Florida State University (FSU), this report exposes the academic influence bought by the to the Charles Koch Foundation (CKF). We analyze FSU's Koch-affiliated programs, the circumstances surrounding their implementation, and their present-day expansion. Between 2014 and 2016, student record requests produced several hundred pages of correspondence and documents. Our investigation examines these records, as well as public records from the university, colleges, and departments involved. We contextualize our findings with recordings and documents that explain the broader vision of Charles Koch, Koch foundation officials, and members of Koch’s academic network.

This report provides the most complete account to date of any university’s relationship with the Charles Koch Foundation. We present evidence revealing:

1. Contrary to statements made by FSU officials, the university granted undue influence to the Koch foundation and its partner donors through an agreement that violated academic freedom, faculty governance, the faculty’s Collective Bargaining Agreement, as well as departmental and university donor policies.
2. Some of the wrongdoing was revealed during a faculty senate investigation in 2011, but the primary findings and recommendations of this investigation were omitted the final public report. This censored account has served as the basis of internal and public statements made by FSU, contributing considerably to a public misunderstanding of the events and the oversteps of the Koch foundation.

Among the omitted findings was an account of how “administrative dictate” was established using “threats,” and “an atmosphere of intimidation,” in conjunction with clearly defined conflicts of interest.

Concerns about the Koch/BB&T graduate fellowships were also omitted. Our findings reveal that these fellowships are required to comply with the donor’s objectives by subjecting them to to the approval of the *Koch-appointed* advisory board that went so far as to examine dissertation topics.

3. A second Faculty Senate review (performed by the Steering Committee) in 2014 was rushed, and fell short due to limited access to sources and authors with a foregone conclusion. The “review” consists of a single paragraph press-statement with no account of process, sources, or findings.

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4. The influence of Koch at FSU expanded under current administration, including two new centers not subjected to faculty review or approval - the L. Charles Hilton Center and the Project on Accountable Justice. Both have direct ties to the State Policy Network (SPN) - a politically driven group of free-market think tanks funded by Koch and their donor partners. Notable SPN members in Florida are the James Madison Institute and Florida TaxWatch.

5. The Koch Foundation's programs at FSU are part of a model strategy designed to leverage academia for influencing public policy that suits the ideological interests of donors. Koch has organized a large network of corporate and private donors to carry out this model.

We have recently obtained recordings of Koch foundation officials and members of their professor network openly speaking about executing Koch's political strategy, evading institutional and faculty resistance, and recruiting students into Koch's "Liberty Movement."

These findings, and many more, are expanded in this report with additional background in the appendices. We also include recommendations for action and university policy revisions to resolve these and future issues.

For FSU faculty, the information found in this report is of utmost relevance during the 2016-2017 academic year, as there are ongoing searches to select the Deans of several colleges affiliated with Koch aligned programs, namely; the College of Social Sciences, College of Business, and College of Law. The report intends to avoid condemnation of free-market ideology, but we wish to highlight that the Koch foundation's brand of free-market ideology is directly aligned with financial interests of Koch Industries and their network of political donors.

In solidarity,

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## Executive Summary

### Chapter 1 - Koch, FSU, and Critical Context

**Chapter 1** provides the foundational knowledge for the entirety of this report.

**Chapter 1.A** describes the political motives behind the academic programs of the Charles Koch Foundation (CKF). We explain the funding strategy used by Koch's network of wealthy donors, and how they coordinate donations to universities, think tanks, and political efforts for the "implementation of policy change." We also describe the network of academics, the Association of Private Enterprise Education (APEE), who are carrying out this Koch's agenda within universities. ([See more below.](#))

**Chapter 1.B** sheds new light into history of FSU and CKF from 2007 to present.

Key findings: A 2011 faculty investigation was censored before public release, suppressing a vast majority of the findings and recommendations. These findings include how Koch's 2008 agreement was forced into place by the (Koch-funded) Chair of Economics and Dean of the College of Social Sciences, using "threats" and an "atmosphere of intimidation" to quell the faculty's "extreme dissent." The suppressed findings also detailed problems with a system of graduate fellowships, which is shown to give the donor approval power over fellows and dissertation topics. We also describe the dramatic expansion of Koch's programming and influence at FSU. ([See more below.](#))

**Chapter 1.C** provides context critical to understanding the intent and future of the agreements between FSU and CKF. In response to criticisms that they are violating academic policies and principles, the Koch Foundation and affiliated groups are literally attempting to redefine the principles of academic freedom and shared governance, openly condemning the principles of the American Association of University Professors. Meanwhile, Koch's privately funded free-market programs follow a pattern of bypassing established university policies and procedures, often with little or no faculty knowledge until the deal is done. Meaningful action at FSU has never been more critical. ([See more below.](#))

### Chapter 2 - Previous Reviews of the Koch Agreement

**Chapter 2** is an account of the circumstances surrounding the 2011 and 2014 reviews of the Koch agreement at FSU.

**Chapter 2.A** compares the findings of the suppressed 2011 report to the censored version released to the public.

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**Chapter 2.B** examines the circumstances leading up to the release of a 2014 statement by the Faculty Senate Steering Committee, which not only used the censored 2011 as the basis of a sparse and hurried process, but appears to mirror a predetermined outcome communicated by administration.

**Chapter 2.C** explores other instances where Koch programs have undergone some kind of review, all of which defer to the (censored) 2011 faculty review. ([See more below.](#))

## Chapter 3 - Mechanisms of Donor Control

**Chapter 3** describes the actual ways in which a private donor can exert influence over academic activities.

**Chapter 3.A** describes ways in which private donors were given contractual power over hiring and programming.

**Chapter 3.B** discusses the donor appointed advisory board created through the agreements.

**Chapter 3.C** spotlights the stacking of curriculum committees to gain control over large principles courses.

**Chapter 3.D** shows how these agreements have been overseen by university personnel with deep connections to Koch at all levels of FSU's administrative structure, including the Board of Trustees, the Office of the President, the Dean of the College of Social Sciences, and the Chair of the Department of Economics. ([See more below.](#))

## Chapter 4 - Examples of Influence

**Chapter 4** presents examples of what undue donor influence looked like at Florida State University.

**Chapter 4.A** focuses on Koch's influence on hiring. Interference in early hiring included approval of position advertisements and the independent "parallel" screening of candidates. Influence over the actual hiring process included; the use of the donor appointed advisory board to veto 34 tenure track candidates, Koch's partner donors providing funding for hires under Koch's agreement, and Koch dictating the appointment of the Chair of the Department of Economics. ([See more below.](#))

**Chapter 4.B** focuses on influence in scholarly activity of faculty. The faculty hired through Koch's agreement (like all aspects of the program) are required to comply with Koch's free-market "Objectives and Purposes," and are monitored by the *donor* advisory board. The requirement for compliance spans two programs created through the agreement, as well as programs set up through partner donors such



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as BB&T. The agreements and criticisms of them have hurt the department's reputation and has heightened skepticism of research produced at FSU within the economics discipline. ([See more below.](#))

**Chapter 4.C** focuses on influence in university curriculum. The agreements with Koch and BB&T allowed donor influence over at least nine courses. Donors stacked the membership of the committee overseeing the "principles" courses, required for economics and finance majors, serving as the economics course for non-majors, estimated to reach 7,000 students a year. The textbooks for these courses include inaccurate information about climate change and the financial crash of 2008 (both of which are connected to the fossil-fuel/financial-sector activities of Koch Industries). Donors also created a certificate program the College of Social Sciences and a minor in the College of Business. ([See more below.](#))

Several donor-created student groups and extracurricular programs serve as part of Koch's "talent pipeline," including an anti-Obama Care group whose website showed legislative initiatives, an activity specifically prohibited by the agreement. A faculty investigation found that "[t]he 'Economics Club' conceived by the Koch agreement is not representative of the diversity of departmental curricular offerings. There were repeated reports that it promotes dogma rather than academic inquiry."

**Chapter 4.D** focuses on influence in graduate fellowships and post doctoral programs. ([See more below.](#))

**Chapter 4.D.1** shows graduate fellowship applicants are screened for compliance with the objectives found in Koch's MOU by a committee of SPEFE faculty and the donor advisory board (whose voting rule is unanimous in all matters). Compliant students are labeled "Koch-types." Koch retains the right to discontinue funding on an annual basis, and fellows are told that the donor's withdrawal would revert them to department funding. Koch fellows can make 50% more than department funded students, and are only required work half of the department's 20 hrs/week workload. Dissertation fellows have their dissertation topics approved for compliance by Koch. Koch's compliance standards have been applied to other graduate fellowships not bound by Koch's contract. Fellowships have also been funded by DonorsTrust, the Koch network's donor advised fund.

**Chapter 4.D.2** describe how Koch's post doctoral positions were ultimately funded by the Searle Freedom Trust, who joins Koch as a top funder of climate change denial. The recipients of the post docs were former Koch/BB&T dissertation fellows.

## Chapter 5 – Violations of Florida State Policies

**Chapter 5** details which policies have been violated through the negotiation, adoption, review, renewal, and protection of these agreements. We describe violations of academic freedom, faculty governance, the faculty collective bargaining agreement, various departmental/university approval procedures, and the FSU Foundation's donor policy. We also address ethical violations, including the "egregious" conflicts

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of interest and intentionally misleading information to the FSU Foundation to classify a grant as a “gift.” ([See more below.](#))

## Chapter 6 - Misinformation

**Chapter 6** describes a history of FSU’s consistent public misinformation regarding the Koch agreements, as well as our corrections to misleading or false public statements by university administrators. ([See more below.](#))

**Chapter 6.A** describes the suppression of the faculty’s 2011 findings, as well as the sudden removal of all statements about Koch and BB&T from the Foundation’s website.

**Chapter 6.B** outlines public statements made by FSU administrators, both publicly and internally, that were inaccurate or misleading. Records requests reveal that administration provided false information to a journalist.

**Chapter 6.C** outlines inaccuracies and misleading aspects of several internal statements made by FSU administrators.

## Additional Appendices

[Appendix 1: Recommendations](#)

[Appendix 2: President Barron’s Collected 2011 Statements](#)

[Appendix 3: Email Records of 2014 Faculty “Review”](#)

[Appendix 4: The DeVoe Moore Center’s Curricular Impact](#)

[Appendix 5: Thrasher’s 2015 Letter](#)

[Appendix 6: The Jim Moran Foundation and JM Family Enterprises](#)

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## Glossary of Critical Findings

### Chapter 1: Koch, FSU, and Critical Context

#### 1.A - Koch and their Donor Network

- The Charles Koch Foundation's academic programs are designed to carry out the political agenda of a large network of donors coordinated by Charles Koch, with aims of "[leveraging science and universities](#)" for the "[implementation of policy change](#)." This is revealed by documents and recordings of Koch funded professors, and officials from Koch Industries and the Koch foundation.

#### 1.B - Background of the Charles Koch Foundation and FSU

- An FSU Faculty Senate investigation found that the Koch agreement was implemented despite widespread faculty attempts to exercise appropriate governance. Dean Rasmussen and economics department chair Bruce Benson used "threats" to create an "atmosphere of intimidation and administrative dictate" ([Standley report](#), 2011)

- The agreement with the Charles Koch Foundation involved several conflicts of interest, including a graduate student who was paid over \$500,000 by the Koch foundation ([2007](#), [2008](#), [2009](#)) to negotiate an agreement his doctoral adviser and department chair, Bruce Benson. Benson received a \$105,000 "administrative cost," as payment for agreeing to serve a second term as chair ([Benson memo](#), [2008 MOU](#)).

-Among the programming established by Koch was a system of graduate fellowships whose recipients are [required to comply with Koch's Objectives and Purposes](#), and whose [dissertation topics are vetted for compliance with Koch's Objectives and Purposes](#) by a Koch representative.

- The [findings of a 2011 investigation](#) by the faculty were censored. In cooperation with President Eric Barron, the publicly released report omitted the vast majority of the investigation's findings and recommendations, ultimately conforming to [Barron's statements](#) prior to the investigation. This [false account](#) serves as the basis for internal and public perception of FSU's relationship with the Koch foundation, still cited today by nearly all national or local media reports on Koch elsewhere.



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- The Koch [Memorandum of Understanding](#) was amended and re-signed in 2013 without departmental, university, or public notice. It retained many provisions that had been criticized by President Barron and faculty senators.
- The Koch program for the Study of Political Economy and Free Enterprise was [quietly sunset by administration](#), and re-formed into the Hilton Center for the Study of Economic Prosperity and Individual Opportunity without faculty notice or input.
- A 2016 donation of [\\$800,000 from the Koch Foundation](#) to FSU funds two new centers, neither of which were or disclosed to, or approved by faculty. Both the [Hilton center](#) and the Project on Accountable Justice have considerable ties to think tanks from Koch's network of think tanks, the State Policy Network, whose Florida members include the James Madison Institute and Florida Taxwatch. Our [June 2016](#) report on the Project for Accountable Justice revealed direct ties to corrupt private corrections contractors in Florida, the American Legislative Exchange Council, and Koch's corporate funded criminal justice movement.
- A conflict in the summer of 2015 between [FSU Progress Coalition](#) and [administrators](#) and revealed [Koch's violations of FSU's donor policy](#), as well as weaknesses in the policy that leave the university open to donor influence.
- A wave of money from Koch's donor network has flooded in to support programming initiated by the Koch foundation, including post doctoral positions, graduate fellowships, and K-12 programming from the [Searle Freedom Trust](#) and the Koch network's anonymous donor-advised funds, the [DonorsTrust](#), and [Donors Capital Fund](#).

## 1.C - Critical Context

- FSU is one of many universities where Koch foundation programs are created against the will of the faculty. In addition, the Koch network is funding an effort to reject and [redefine academic freedom](#) as formulated by the American Association of University Professors.
- The Koch-funded American Council of Trustees and Alumni (ACTA) has openly called for the violation of shared governance practices in a [2014 report](#).
- [Leaked documents](#) from a 2010 Koch foundation event reveal the donor's true intent, in the belief that "free enterprise is more than an economic system - it is a moral imperative, and we must defend it at all costs." This is contrary to any good faith academic study of economic systems, and reflects the political intent of the donors.

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- Academics that are funded by Koch's donor network largely coordinate research and funding through the Association of Private Enterprise Educators (APEE). [Recordings from the 2016 APEE conference](#) show multiple Koch-affiliated faculty members from other institutions describe their intent to "take over" departments, among other things.

## Chapter 2: Past Reviews

- Public records requests show that the [initial report](#) of the faculty's investigation into the Koch agreement was censored, with a majority of its findings and recommendations completely missing from the [final public version](#).
- When [reduced to independent clauses](#), the original 2011 Faculty Senate report consists of thirty-six findings and twenty-one recommendations. Only sixteen of thirty-six findings remain, ten of which were watered down. Of the twenty-one recommendations, only four remain, two of which are watered down. See [this graphic](#) to see how much of the report was suppressed.
- The 2014 Faculty Senate Steering Committee review of the CKF/FSU agreement was based on the censored 2011 review and statements from [Dean Rasmussen](#) and Economics Department Chair [Mark Isaac](#). Records requests reveal that the [final \(half page\) statement](#) misrepresented faculty deliberations, and appears to mirror a predetermined administrative consensus that predated faculty deliberations. See [Chapter 2.B](#) and [Appendix 3](#).
- The misleading remarks from Dean Rasmussen and Mark Isaac came after [Rasmussen met with the Koch foundation's](#) Director of University Relations John Hardin. Rasmussen assured Hardin that he would "make the case for academic freedom." In the end, [Rasmussen's statement](#) does not mention academic freedom, while [Mark Isaac's statement](#) argues that criticisms of the Koch foundation are "at a minimum, a gross violation of academic freedom."

## Chapter 3: Mechanisms of Donor Control

- The agreement between FSU and the Koch foundation requires that all parts of the program comply with Koch's "Objectives and Purposes." The Koch foundation retains the right to "discontinue or revoke" any part of the agreement ([2008 MOU](#), [2013 MOU](#), Section 12).
- The Koch appointed advisory board acts to "ensure compliance" with the Koch's Objectives and Principles "through appropriate administrative or legal channels." The board contains one Koch foundation representative, and operates only by unanimous vote, allowing the Koch foundation to have veto power over all decisions ([2008 MOU](#), [2013 MOU](#), Section 7.b).

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- The Advisory board maintains implicit and explicit control over all “Affiliated Programs and Positions” as the final authority on the annual renewal of funding for programs, hires, and graduate fellowships ([2008 MOU](#), [2013 MOU](#), Section 7).

- The “Undergraduate Program” set forth in the CKF/FSU agreement was to be overseen by a committee of faculty approved by Koch as well as a Koch representative. There is no evidence of such a committee convening, but the donor was able to create a course, have influence on lower-level gateway courses, establish undergraduate extra-curricular programs, and set up a certificate program. The donor was described as staking a “very broad interest in the undergraduate component of the academic program of the Economics department.” See [Chapter 3.B](#) and [Chapter 3.C](#).

- The 2011 Faculty Senate investigation identified two conflicts of interest with the donors, but this report will show that more existed (and still exist) at various levels of FSU’s administration. This includes the Board of Trustees, the Office of the President, the Dean of the College of Social Sciences, and the Chair of the Department of Economics. See [Chapter 3.D](#).

- “Principles Courses” in the Department of Economics, which are estimated to reach approximately 7,000 students per year, were overtaken by faculty affiliated with Koch’s donor agreement. The faculty investigation found that these gateway courses were “being ceded to a subset of the department that was not representative of the diverse intellectual interests of the department” ([Walker report](#), 2011).

- We observe that key administrators at all levels of administration had connections to the donors while the Koch/BB&T agreement was being negotiated, including the department chair, college dean, FSU Foundation Board, FSU Board of Trustees, and President at the time. This is an instance of “administrative capture,” where the regulatory authority of public administrators is undermined for the benefit of a private entity.

- BB&T’s Nan Hillis sits on the board of the FSU Foundation and [presented FSU with the donation](#) on behalf of the company. Her husband Mark Hillis sat with her on the [FSU Foundation's Board of Trustees](#) as well as on FSU’s [Board of Trustees](#).

-From 2005-2009, the chair of FSU's Board of Trustees was Jim Smith. In [2007](#) his son James "Clark" Smith, became a registered lobbyist for Koch Industries. Both Jim and Clark Smith are lobbyists with Southern Strategy Group, a lobbying firm [co-founded](#) by FSU President John Thrasher. Southern Strategy Group currently houses all of Koch's lobbyists in Florida, specifically lobbyists for Koch Industries, Flint Hills Resources LP, and Georgia Pacific (Koch subsidiaries).

-Then President T.K Wetherell [was a partner](#) of Southern Strategies immediately before and after serving as FSU president, and signing the first Koch agreement.

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## Chapter 4: Examples of Influence

### 4.A - Hiring

- Koch Foundation officials were found to have interfered extensively with the early hiring process of faculty, including requirement of approval on the advertisement used prior to posting ([Standley Report](#), 2011) and the conduction of parallel interviews at the professional conference where the search committee was interviewing applicants, against the stated opposition of department officials ([Walker report](#), 2011).
- The SPEFE/EEE advisory board, which included at least one Koch Foundation representative and whose unanimous approval was required for any hires associated with the 2008 MOU, in effect gave Koch veto power over hiring of faculty. Former President Eric Barron at one point admitted that the advisory board culled a list of potential hires from 50 to 16, exercising veto power 34 times ([WCTV](#), 2011).
- The powers of the SPEFE/EEE advisory board were changed in the 2013 MOU so the advisory board's influence over hiring would change from direct veto ability to instead deciding whether a position can be funded after the university had already made a job offer to a candidate. This means the university would be on the hook for whatever offers it makes potential hires whether or not the Koch Foundation decides to fund the position, incentivizing the department to pursue more candidates that the department would find agreeable and maintaining the foundation's influence ([2013 MOU](#), Section 3.d).
- The SPEFE/EEE advisory board also had influence over the hiring of the "Teaching Specialist Position" and, through the power to decide whether or not to renew funding on an annual basis, was able to consistently maintain such influence throughout the funding period described in the agreement ([2008 MOU](#), [2013 MOU](#), Section 4).
- Hiring powers in the EEE program were extended to donor partners who took on the funding for these positions ([2008 MOU](#), [2013 MOU](#), Section 4.c).
- The Koch Foundation had influence over selection of the Department of Economics Chair, providing Dr. Bruce Benson \$105,000 to remain in the position rather than step down, which was his original intent ([Benson Memo](#)).
- A 2011 article in the Tampa Bay Times refers to Dr. Benson's explanation that Florida State University will maintain the funding for any tenure-track positions hired under the Koch agreement if the foundation draws support ([Tampa Bay Times](#), 2011).

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### 4.B - Faculty Scholarly Activity

- The 2008 MOU stipulates the requirements for positions and programs associated with the agreement, including requirements on research and education. All programs and positions related to the agreement must also abide by Koch's Objectives and Purposes as set out in the agreement ([2008 MOU, Section 1](#)).
- Donor partner BB&T was also able to create two professorships to develop and promote a "free-enterprise curriculum" which included a donor designed speaker series and additional courses with donor required reading. ([BB&T Letter](#))
- The integrity of research from FSU's Department of Economics was called into question by members of the larger discipline of economics, calling for heightened skepticism of their peers in the peer review process when FSU research is submitted to journals ([Standley Report](#), 2011).

### 4.C - Donor Created Curriculum

- BB&T required the Department of Finance to add additional content associated with a "free-enterprise curriculum" to its already existent required coursework ([BB&T Letter](#)).
- Undue donor influence exists/existed in as many as 9 courses, including 3 principles courses in the Department of Economics, 2 through BB&T's program in the Departments of Finance and Economics, and 4 related to the Certificate Program established through the Koch agreement in the Department of Economics. See [Chapter 4.C](#).
- Introductory courses that were affected by the agreement all made use of some version of the same textbook, which was [ranked last](#) in economist Yoram Bauman's ranking of climate change accuracy in economics textbooks. Versions of the textbook created after 2008 include a chapter on the 2008 financial collapse that goes against generally accepted understandings of the causes of the collapse and opens with a quote from the specifically debunked (and Koch-Funded) American Enterprise Institute on this matter. See [Chapter 4.C.2](#).
- The "undergraduate program," ambiguously defined in the [2008 MOU](#), led to the creation of an undergraduate certificate program in the College of Social Sciences, and a minor in the College of Business required many of the courses created or controlled by the donor. The certificate programs were established outside of standard procedures. See [Chapter 4.C.4](#).

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- Partner donor BB&T established a Minor in Free Enterprise and Ethics in the College of Business. The minor requires completion of both Principles Courses that are led by EEE (Koch-funded) faculty and includes courses that were created through the agreement. See [Chapter 4.C.4](#).
- Donors were able to pursue several extracurricular initiatives. A [faculty investigation](#) found that “The ‘Economics Club’ conceived by the Koch agreement is not representative of the diversity of departmental curricular offerings. There were repeated reports that it promotes dogma rather than academic inquiry. Scholarships of \$200/semester are given for reading books on a list developed by the Koch funded program, not the Economics faculty as a whole. The club website now shows legislative initiatives, an activity specifically prohibited by the Koch Memorandum of Understanding”. See [Chapter 4.C.5](#).
- Involvement in student activities by the donor is for the purpose of pulling students into a “talent pipeline,’ guiding them from introductory economics classes into the Kochs’ vast academic, professional, and political network. This has occurred at FSU through various initiatives supported by the donor; See [Chapter 4.C.5.B](#).

### 4.D - Graduate Fellowships and Post Docs

- A [screening committee](#) made up of SPEFE faculty and the donor advisory board (with a CKF representative) filter for “[Koch-types](#)” who are required to comply with the Objectives and Purposes exactly as in Koch’s MOU. Koch can discontinue funding on an annual basis, and [fellows are told that the donor’s withdrawal would revert them to department funding](#); a substantial pay cut (from ~\$25,000 to ~\$17,000 per year) and a doubled workload.
- Koch/BB&T doctoral fellows [have their dissertation topics approved for compliance](#), and Koch’s standards have been applied to other graduate fellowships not related to Koch’s contract. See [Chapter 4.D.1.d](#).
- The Charles Koch Foundation [decides on an annual basis](#) how many fellowships it wants to fund, which allowed it to control to growth of the fellowship program year-to-year.
- An internal review by [the Graduate Policy Committee](#) described several harms of the fellowships including a recruitment disparity on the basis of research topic, and an external review done along with the GPC report noted that [retention was harmed](#) by tying the highest stipends to ideologically constrained positions.
- Several post doctoral positions proposed by Koch were ultimately [funded by a partner donor, the Searle Freedom Trust](#), to support Koch fellowship recipients who went on in careers at Koch funded programs. See [Chapter 4.D.2](#).



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-Emails reveal that additional fellowships are being reserved for “Koch-types.” Administrators are seen [discussing](#) a non-Koch fellowship fund, “If we are going to offer a Manley Johnson fellowship . . . to a Koch-type student saying so in the [Koch] proposal will be helpful.” Dean Rasmussen ultimately [answers](#) “the gift is for a graduate student but we might want to have a modest preference for free market type,” ultimately allowing half of the fellows to be chosen by Koch’s screening process, and letting the department choose the other.

## Chapter 5: Violations of Florida State Policies

- The faculty investigation’s [primary finding](#) was that the Koch agreement allows undue donor influence over hiring, curricular, and extracurricular programs in ways that violate academic freedom and faculty governance. They found that administrators violated faculty governance and bypassed department and university policies in order implement this. Our findings further verify this, especially revelations about the graduate fellowships.
- The Koch agreement violates numerous university donor policies, many times over.
- The donor had influence over several of the parties who negotiated the agreement, representing a conflict of interest. Other conflicts of interest include relationships between decision makers with ties to donors, including FSU’s Board of Trustees and departmental review committee.
- Bruce Benson and administrators in the College of Social Sciences obscured the purpose of a \$38,000 Koch foundation grant to ensure that it would go through the FSU Foundation (tax deductible) rather than the FSU Research Foundation (not tax deductible). Though the grant was for Benson to write a book, it was [decided](#) that he “should not mention any particular output or deliverables.”

## Chapter 6: Misinformation

- The 2008 and 2013 MOUs “allow CKF to review and approve the text of any proposed publicity which includes mention of CKF” ([2013 MOU](#), Section 13).
- The university censored information pertaining to the relationship between the Koch Foundation and FSU, including the findings of the 2011 faculty investigation, as well as a variety of resources on the FSU Foundation’s website.
- The university released information about the agreements that was misleading or false, including a [“Q&A” statement](#) on its website (since removed).
- [Emails reveal](#) FSU administrators providing false responses to questions from a Kentucky journalist.

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- The statements provided to the faculty senate steering committee in 2014 by Dean [David Rasmussen](#) and economics chair [Mark Isaac](#) contained misinformation about changes made to the Koch program, and about the “[consultation](#)” role of the advisory board.

### Recommendations

We recommend that the Faculty Senate at FSU conduct an open and independent review of the issues presented in FSU’s past and present relationship with the Koch Foundation, as well as the weaknesses in the university’s gift acceptance policies.

Given past circumstances, it is critical that the review process is taken up with the senate at large, wholly independent of administrative influence.

We recommend that university administration implement the suggestions of the Faculty Senate, including changes to gift acceptance policies, without objection.